

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:666
ANSWERED ON:21.02.2003
RURAL BRANCHES OF BANKS
LAXMAN GILUWA; RATNA SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the number of branches of various banks in rural areas are reducing;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) the number of branches of Public Sector Banks working in rural areas at present State-wise; and
- (d) the action taken by the Government to open more and more branches of banks in rural areas?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANDRAO V.ADSUL)

(a) & (b): As reported by Reserve Bank of India (RBI) bank group-wise total number of rural branches of commercial banks as on 31st December 2002, 2001 and 2002 is given below:

Name of Bank Group No of branches as on December 31 of:

2000 2001 2002#

SBI and its associates	5515	5513	5511
Nationalized Banks	13856	13755	13722
Regional Rural Banks	12083	12067	12059
Other Scheduled Commercial Banks	1217	1140	1140

Provisional Data

The number of branches in rural areas has marginally reduced due to various factors furnished below:

- (1) As a result of increase in population of rural areas, certain rural centres have been reclassified as Semi-Urban/Urban.
- (2) Certain villages have been brought under the revenue limits of Urban Municipal Corporations which has led to reclassification of rural centres.
- (3) Banks have been permitted to convert their loss-making branches at rural centres into Satellite Offices resulting in such Offices not being included in branch statistics.
- (1) Weak Banks like Indian Bank and United Bank of India were permitted to close/merge some of their loss making rural branches under the banks' Restructuring Plan.
- (c): State-wise position of number of branches of Public Sector Banks working in rural areas is given in the Annexure.
- (d): Opening of branches in rural area are left to the judgment of individual banks to assess the need for opening additional branches at rural centres within their service area. The banks' proposal for opening branches at rural centres are considered by concerned District Consultative Committee (DCC) and submitted to the RBI for prior approval through the concerned State Government.